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FISCAL IMPACT STATEMENT

LS 6016

BILL NUMBER: SB 128

NOTE PREPARED: Mar 12, 2007

BILL AMENDED: Mar 12, 2007

SUBJECT: Transfers from the 1977 Fund to PERF.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR: Rep. Tyler

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill: (1) authorizes the transfer of service credit and contributions from the 1977 Police Officers' and Firefighters' Pension and Disability Fund to the Public Employees' Retirement Fund (PERF) for appointed police and fire chiefs and waives all credit for service in the 1977 Fund if the transfer to PERF is made; and (2) extends the pilot program for the Defined Contribution Plan of the Legislator's Retirement System until July 1, 2010.

(The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) (2) Currently, PERF, administrator of the Defined Contribution Plan of the Legislators' Retirement System, spends approximately \$13,800 annually for the record keeper for the plan. The fund affected is the PERF Administrative Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: (1) PERF has identified four police chiefs and no fire chiefs who would currently be affected by this proposal. That is, they would not be able to earn a benefit under the 1977 Fund because of mandatory retirement provisions in effect. In addition, however, the bill permits a police chief or a fire chief appointed under a waiver at any age who terminates employment before earning a benefit from the 1977 Fund to transfer the 1977 Fund service to PERF. The fiscal impact would be minimal.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the 1977 Fund and the Defined Contribution Plan of the Legislators' Retirement System.

Local Agencies Affected: Those with members in the 1977 Fund.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF and the Police and Fire Fund, 317-576-1508; Colonel Tom Parker, administrator of the Defined Contribution Plan of the Legislators' Retirement System at PERF, 317-233-4146.

Fiscal Analyst: James Sperlik, 317-232-9866.